



**TOWN OF AMHERST, MASSACHUSETTS
FINANCE COMMITTEE REPORT**

and

**RECOMMENDATIONS TO THE
247th ANNUAL TOWN MEETING**

Part One

MAY 1, 2006
7:30 O'Clock p.m.
Amherst Regional Middle School Auditorium

2006 TOWN MEETING SCHEDULE

Town Meeting Begins:

MONDAY, MAY 1, 2006

The following dates are tentative. Town Meeting will decide each night when the next session will be.

WEDNESDAY, MAY 3, 2006

MONDAY, MAY 8, 2006

WEDNESDAY, MAY 10, 2006

THURSDAY, MAY 11, 2006

MONDAY, MAY 15, 2006

WEDNESDAY, MAY 17, 2006

THURSDAY, MAY 18, 2006

MONDAY, MAY 22, 2006

WEDNESDAY, MAY 24, 2006

THURSDAY, MAY 25, 2006

TUESDAY, MAY 30, 2006

MONDAY, JUNE 5, 2006

TUESDAY, JUNE 6, 2006

WEDNESDAY, JUNE 7, 2006

All meetings begin at 7:30 p.m.

Meetings will be held at:

Amherst Regional Middle School Auditorium

**THERE ARE ONLY A LIMITED NUMBER
OF REPORTS AVAILABLE.
PLEASE BRING THIS REPORT WITH YOU.**

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AMHERST TOWN BYLAWS - ARTICLE 1

RULES OF ORDER FOR TOWN MEETING

1. **CONSENT CALENDAR.** At least five business days prior to the opening of the first session of the Annual Town Meeting or any Special Town Meeting, the moderator shall propose to all members a "Consent Calendar" listing all articles and budget areas which, based on the records of recent town meetings, the moderator deems to be non-controversial. At the first session of the meeting, at the request of any member, any article or budget area shall be removed from the Consent Calendar so that it can be debated and voted upon in accordance with the provisions of these Rules of Order. All items remaining in the Consent Calendar shall then be voted upon by a single vote without debate.
2. Any motions shall be in writing if requested by the moderator.
3. Any question may be divided on call of a member when the sense will admit of such division.
4. **GREEN AND RED CARDS DURING DEBATE.** To assist the moderator in shaping an orderly and equitable debate, green and red cards shall be used by members to indicate a desire to speak for or against the current motion on the floor. A desire to speak without advocacy or to ask a question shall be indicated by raising a hand without a green or red card.
5. When a question is under debate, the moderator shall receive no motion but to adjourn, to dismiss, for the previous question, to postpone for a day certain, to commit, or to amend, which several motions shall have precedence in the order herein mentioned. The meeting shall not vote to dismiss an article without having heard a voter speak in its favor, unless no one seeks to do so.
6. Following a motion under any article, the Moderator shall first recognize the proponent thereof to speak for up to five (5) minutes in favor of the motion, or with leave of Town Meeting, for additional time. Thereafter, and in the absence of leave of Town Meeting granting additional time, each subsequent speaker shall be limited to three (3) minutes. No person shall speak more than twice on the same subject, without leave of the meeting, except to raise a point of order or to answer a question.
7. When two or more motions are made with regard to the same subject relating to sums of money, numbers or times, the question shall first be put upon the largest sum or number, and the longest time.
8. **VOICE VOTES, TALLIED VOTES, AND STANDING VOTES.** All votes unless otherwise provided for by law shall in the first instance be taken by 'ayes' and 'noes' voice vote.

If any member questions the voice vote, or if a four-fifths or nine-tenths vote is required by statute and the vote is not unanimous, the vote shall be taken by counted standing vote. When a two-thirds vote is required by statute, a counted standing vote shall not be taken unless the voice vote is doubted by the moderator or questioned by a member.

If, within a short but reasonable period of time following the voice vote, which period of time shall be fixed by the moderator, any member requests a tally vote and if 14 members manifest their concurrence with that member, the vote of each member shall be tallied by the use of a color-coded (green for aye, red for no) cards. Each such card shall bear the member's name and indicate his/her vote. Each member shall cast his/her own vote only. Such cards shall be collected and counted by the tellers, which count shall be determinative of the question.
9. A vote may be reconsidered only on motion of a member who did not vote with the minority. When a motion for reconsideration is decided that decision shall not be reconsidered, and no question shall be twice reconsidered.
10. A motion to dissolve shall be debatable, but a motion to adjourn to a day certain shall not be debatable.
11. No motion to dissolve a town meeting shall be in order until every article in the warrant therefor has been acted upon.
12. A registered voter of the town who ceased to be an elected town meeting member upon election as chair of the finance committee and who subsequently ceases to be a town meeting member at large upon ceasing to be chair of the finance committee shall be a town meeting member at large for a period ending on the date of the next annual town election.
13. After 10:00 PM, and in the absence of a majority vote of Town Meeting so permitting, no motion under any article other than the article then under debate may be made.

THE FINANCE COMMITTEE AND THE BUDGET PROCESS

Duties of the Finance Committee

The bylaws of the Town of Amherst require the Finance Committee "to investigate all proposals in the articles of the warrant for any town meeting that shall in any way affect the finances of the town and to recommend to the town...a course of action thereon, and in general to make recommendations to the town in regard to any financial business of the town." This report is in partial fulfillment of our responsibility in regard to the 247th Annual Town Meeting.

Budget Process

The budget process takes place throughout the year. It begins in early fall with the development of the Select Board's policy guidelines to the Town Manager, the Amherst School Committee's policy guidelines to the Superintendent of Schools, and the Library Trustees' policy guidelines to the Library Director. The various administrators confer with department heads, boards and committees to develop specific budget proposals which they feel will best meet the needs of the Town, Schools and Libraries for the next fiscal year. The Amherst-Pelham Regional Schools use the same procedure.

Also in the fall, the Town Manager presents financial projections to the other administrators, the elected boards and committees, and the Finance Committee. This provides preliminary guidance on the level of resources that may be available for the coming year.

In January, the budgets are presented to the Finance Committee, whose members spend the next few months reviewing the budgets, asking questions, and hearing comments. In the same period of time, the Joint Capital Planning Committee examines requests for capital spending in the coming year within the context of a five-year capital spending plan; it then makes recommendations to the Finance Committee, the Select Board, the School Committee, and the Library Trustees, all of whom are represented on the Joint Committee. In addition, a newly formed Joint Financial Planning Group, consisting of administrators, finance officers and board and committee representatives of the Select Board, Amherst and Regional School Committees, Jones Library Trustees and Finance Committee, meets to coordinate their calendars and share information and views on the Town's budget.

After much deliberation, the Finance Committee determines its recommendations on the budget to be presented to Annual Town Meeting. The budget, as voted by Town Meeting each spring, then becomes the plan of action for the following fiscal year (July 1 through June 30). Concurrently with this work, and also immediately after the close of the fiscal year, the budget of the present year is monitored and evaluated so that experience with it can guide future budget decisions.

Budget Presentation

Spending articles. The operating budget for the Town as a whole makes up Article 26 of the warrant for this Annual Town Meeting. The budget is divided into sections covering five separate municipal functional areas, the elementary schools, the Regional School assessment, library services, each of four enterprise funds, and debt service. For each section, a motion will be made proposing the total amount to be spent on that section. In all cases, Town Meeting will be able to discuss individual budget lines within the sections and provide advice and direction.

Most capital spending appears in separate articles, as does funding for the various special services the Town provides. The more routine capital spending of the enterprise funds appears in their operating budgets. The same is true of the Regional Schools.

Procedures. Any member of Town Meeting who wishes to propose an amendment to an operating budget motion may do so by moving to increase or reduce the amount of an appropriation that has been moved. Town Meeting members should remember that the subject of these articles is the appropriation of money and not the day-to-day administration of the Town. If an amendment is proposed, it is essential for the Meeting to know what the amendment is intended to accomplish, but it should be kept clearly in mind that responsibility for running the affairs of the Town rests with the Select Board, School Committee, Library Trustees, and appointed officials.

The issues covered under each motion may be complex, especially in sections of the budget that are supported by a variety of revenue sources. Town Meeting members who want to make an alternate motion or amendment are encouraged to seek assistance from the Moderator, a member of the Finance Committee or the Select Board, or an appropriate staff person prior to introducing the amendment.

If a Town Meeting member wishes to propose an increase in the operating budget, he or she should be aware that a source of funding will have to be found to cover the increase. This could be a reduction made elsewhere in the budget, an override or exclusion referendum, or use of reserves.

In general, the amounts of money stated in the separate spending articles cannot be increased significantly on the floor of Town Meeting. If you have questions about this, please consult with the Moderator.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

A Report In Two Parts

The Finance Committee's Report and Recommendations to the 247th Annual Town Meeting is being presented in two parts. Part One describes the Town's financial outlook and presents most of the non-financial articles of the warrant. Part Two will provide an updated view of the financial outlook along with recommendations for a balanced budget for fiscal year (FY) 2007 and a few other articles closely related to the business of the Town. Town Meeting will be asked to delay consideration of financially significant warrant articles until May 22, when members will have had an opportunity to study the updated information and recommendations.

The Financial Paradox for Fiscal Year 2007

Given that the recession of 2001 has ended and the economies of the nation and state have been recovering for a few years, it seems absurd that Amherst would now face its worst financial problems of the century. Nevertheless, that is our situation. The Town has been dealing with a structural deficit (a chronic excess of recurring spending over recurring revenues) for several years. This is a result of multiple causes related to revenue shortfalls and inflationary pressures on spending. There are also some special circumstances affecting the FY 07 operating budget that add extra difficulty for that one year. The Town has attempted to keep increases in spending under control, but budget balancing from FY 02 to the current year has used \$9 million in savings held in Free Cash and the Stabilization Fund. The Town's reserves are shrinking and it is time to build them up again.

The Revenue Problem

Of all of its available resources, the Town's own revenues are the most stable. They consist of property taxes, a variety of fees for services and fines, as well as other miscellaneous amounts. State laws limit increases in most of them. Proposition 2 1/2 limits annual increases in property taxes to 2 1/2 percent plus an amount resulting from new growth unless the voters approve an override. Amherst voters provided a \$2 million increase in the levy in 2003 that helped contain the size of the Town's structural deficit but did not cure the problem. Many fines and fees have risen, including fines for parking violations, parking fees and inspection fees. These fee increases are limited in that they are not supposed to exceed the cost of providing the related services. Fees for recreation and school athletic programs have also increased. In these cases, increases have been limited by the desire not to exclude people from participation because of the expense. Figures 1 (General Fund Revenue by Source in Percentage) and 2 (General Fund Revenue by Source in Dollars) illustrate the relative proportions and amounts of revenue from local sources and state aid.

Decreased amounts of state aid in recent years were a significant cause of the Town's financial distress. (See Figure 3, Year-to-year Changes in State Aid.) Because state tax receipts declined, less state money was available for cities and towns. Lottery aid, which is intended for distribution to municipalities, was "capped," and the state used some of it to balance its own budget. State aid began to increase last year, and in FY 07 lottery aid is expected to be uncapped. As a result, Amherst should receive an increase in lottery aid of \$1.7 million in FY 07. Amounts of other categories of aid, including Chapter 70 school aid, are less certain, particularly since the formula for distribution of Chapter 70 aid might change. Town budget planning was based on aid figures in the Governor's budget, released in January. The House Ways and Means Committee budget figures, released on April 10, provided aid amounts to Amherst that are similar to the Governor's, but the House reduced the amount of Chapter 70 aid to the Amherst-Pelham Regional School District by almost \$300,000. Next in the state budget process will come possible amendments to the House budget, presentation and debate of the Senate budget, reconciliation of the House and Senate budgets, action by the Governor and, finally, further action by the Legislature as necessary. Until this process is completed, we will not know what state funding will be available to us in FY 07. Finding ways to cope with the reduction in Regional aid is now being worked on. The optimal resolution would be restoration of the aid; planning for a less fortunate situation is underway.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

Figure 1 General Fund Revenue by Source in Percentage

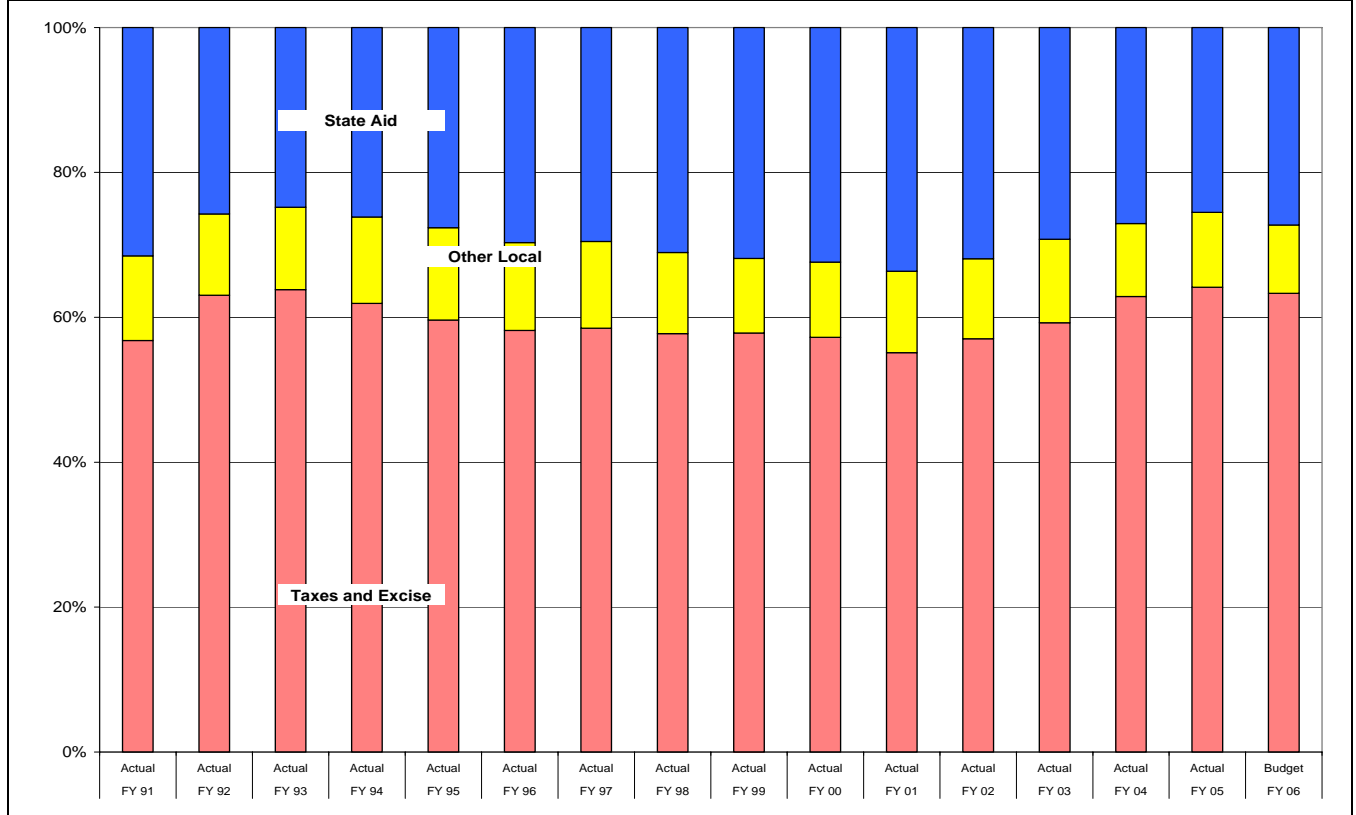
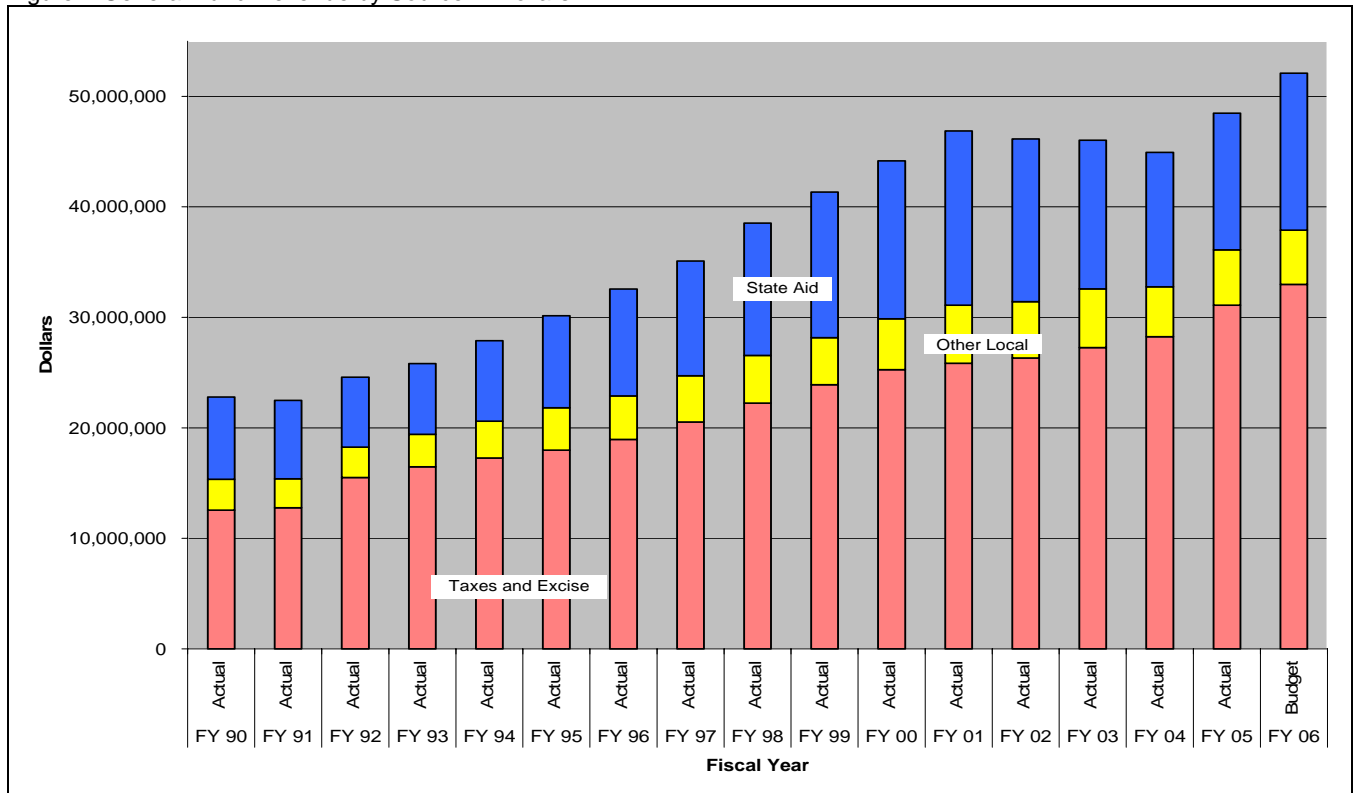
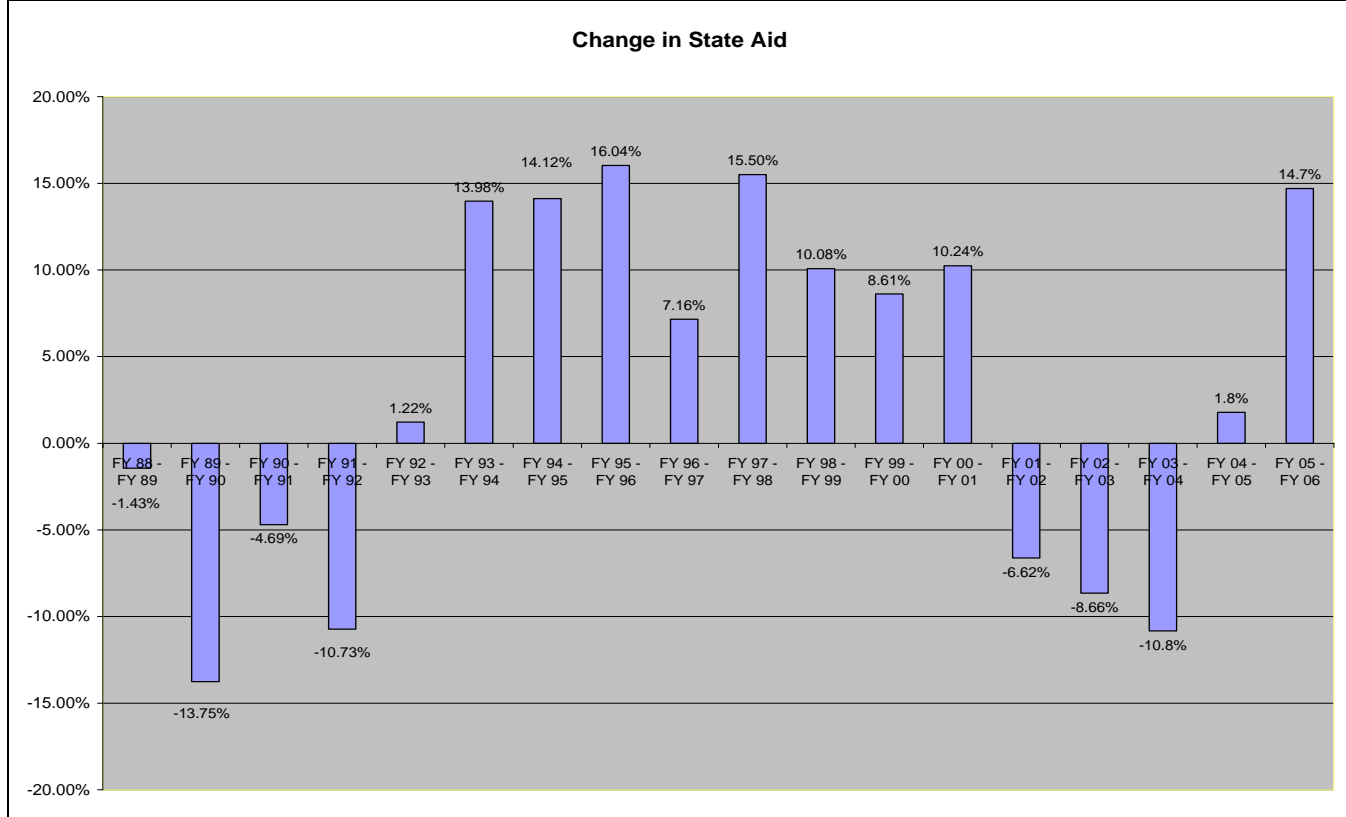


Figure 2 General Fund Revenue by Source in Dollars



FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

Figure 3 Year-to-year Changes in State Aid



The spending problem

There is a fundamental mismatch between the property tax increase limit of Proposition 2 1/2 and inflationary pressure on spending. Annual contracted staff salary increases combined with rising costs of many kinds – energy, health insurance, liability insurance, postage, software licensing, and others – add up to about 3 1/2 to 4 percent. Absent annual, hefty increases in state aid, this mismatch between resources and spending cannot be resolved without continuing, large growth in the property tax base or decreases in services or both. The Town has tried in recent years to contain spending increases, but the result has not been enough to eliminate use of savings to balance budgets.

This year, the Town Manager, School Superintendent and Library Director presented budgets designed to maintain services as they are in the current year, as requested by the Finance Committee. These budgets required additional resources just to keep things as they are. Level services budgets showed increases of 8.5 percent for municipal services, 10.6 percent for elementary schools, 10.9 percent for the regional schools (requiring a 26.7 percent increase in the Amherst assessment), and 8.2 percent for libraries (requiring a 10.7 percent increase in tax support).

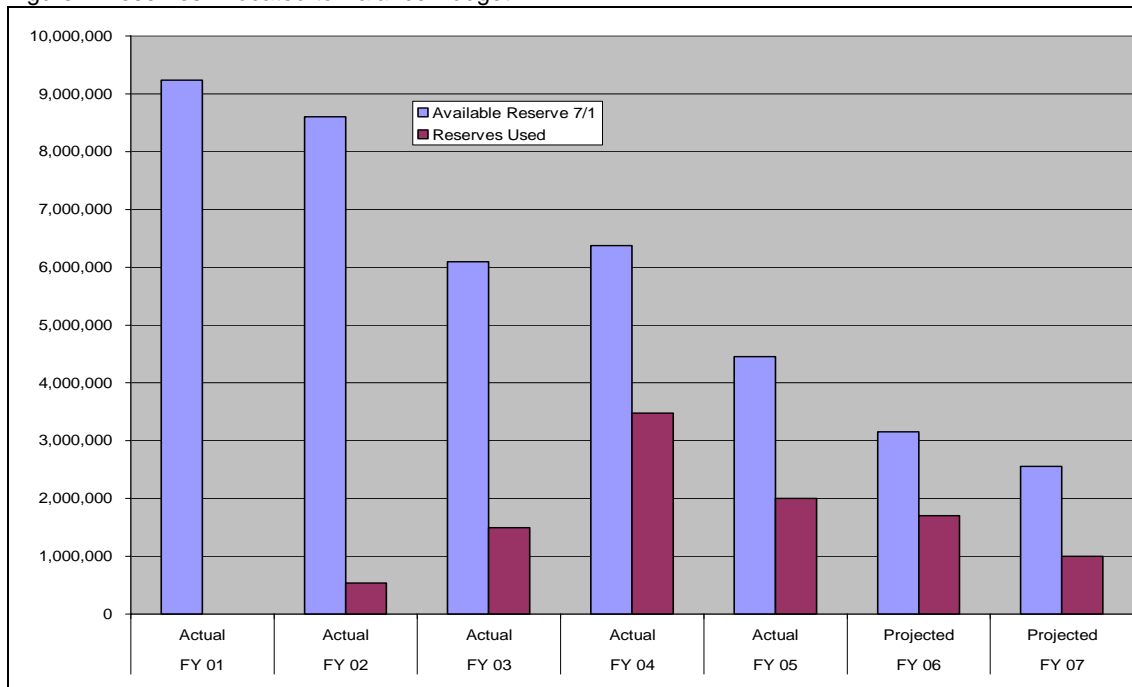
Increases of these dimensions are clearly beyond any reasonable estimate of the Town's ability to pay. Financial projections prepared by the Finance Director/Treasurer in February (based on the Governor's aid figures) indicated they would result in a deficit of \$4.7 million, reduced to "only" \$3.7 million with use of \$1 million in savings. The projections also showed that a balanced budget could be achieved if spending increases were held to 3.6 percent for municipal services, elementary schools and library tax support and to 12.3 percent for the regional schools assessment. Adjusting to the House aid figures requires changes that have not been worked out yet. Lists of reductions from the level services budgets have been prepared, and the process of evaluating possible adjustments to these proportions is in process. The Finance Committee continues to consult with members of the Select Board, School Committees and Jones Library Trustees as we form our budget recommendations for Town Meeting consideration.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

Use of Reserves

The Town began using reserves, or savings, in Free Cash and the Stabilization Fund in FY 02 in response to reductions in state aid resulting from economic recession and a reduction in state income tax rates. (See Figure 4, Reserves Allocated to Balance Budget). The peak year of reserves spending was FY 04, when \$3.4 million was used. The amount followed a planned schedule of decreases in the two following years and should decrease again in FY 07. The Finance Committee recommends that no reserves be spent in FY 08 and that money should be put into reserves following then so that a financial cushion will be available for the next period of need.

Figure 4 Reserves Allocated to Balance Budget



Special Circumstances for FY 07

There are some specific budget adjustments necessary in FY 07 that contribute to our difficulty. Fortunately, they are one-year items that should not repeat in FY 08.

- Health insurance costs continue to rise, and the increase in FY 07 will be six percent higher than otherwise because of a surcharge imposed on the premiums paid by the Town and the insured individuals to cover an FY 05 deficit in the Town's Health Insurance Trust Fund. The surcharge is being applied from January 2006 through June 2007.
- A one-time increase in the Amherst assessment for the Regional Schools of about \$250,000 is expected. The Regional School Committee plans to ask the four towns of the Region to change the method of calculating assessments from the equal percent increase method in use in recent years to the method based on a five-year rolling average that is called for in the Regional Agreement. The change from the enrollment-based, Regional Agreement method first occurred when the Education Reform Act of 1993 imposed assessment calculations based on a complex formula devised by the Department of Education. The equal percent increase method is a modification of the state formula put into effect by the towns in response to extraordinary increases for some towns that would otherwise have occurred, leading to a severe budget problem for the schools. The equal percent method has consistently been viewed as temporary. The return to the enrollment-based method is viewed as the most acceptable long-term solution.
- The Regional Schools used \$600,000 from their Excess and Deficiency Account to balance the FY 06 budget. That account is similar to the Town's Free Cash, a place where savings accumulate. The equivalent amount has to be covered by the assessments in FY 07.
- Debt for the Regional Middle School renovation project was changed from temporary debt to a 20-year issue, requiring a one-year increase in assessments of \$300,000.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

These adjustments, along with a recommended reduction from \$1.7 million in spending from Town savings in the current year to \$1 million next year, make up a large chunk of the FY 07 deficit problem.

Balancing the Budget

The combination of these circumstances – revenue, spending and special – mean the Town will have to make real reductions in services. We all want to find some other way out of our difficulty; we all would like the federal or state governments or someone to provide us with money we think they should give us. Serious attempts to find efficiencies in Town operations and other ways of providing services are underway, but whatever benefits they may produce will for the most part come about after FY 07. This leaves us all with the job of figuring out what activities must be protected, what might be reduced and what must be given up. The Finance Committee will present its recommendations on these difficult questions in Part Two of this report.

Finance Committee Members:

We invite your questions and views about Town money matters.

Marilyn Blaustein	253-5963
Alice Carlozzi, Chair	549-1236
Michael Mascis	253-9165
Brian Morton, Vice Chair	549-4161
Kay Moran	549-5767
Irvin Rhodes	253-7147
Andrew Steinberg	549-6826

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 1. Reports of Boards and Committees
 (Select Board)**

To see if the Town will hear only those reports of Town officers, the Finance Committee, and any other Town boards or committees which are not available in written form.

NO RECOMMENDATION.

**ARTICLE 2. Transfer of Funds – Unpaid Bills
 (Select Board)**

To see if the Town will, in accordance with Chapter 44, section 64, of the Massachusetts General Laws, appropriate and transfer a sum of money to pay unpaid bills of previous years.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING. This article appears on the warrant to provide an opportunity to pay bills of prior fiscal years that were presented to the Town too late for payment in the appropriate year. The Finance Committee's recommendation will be made later, to allow more time for bills to come in.

**ARTICLE 3. Optional Tax Exemptions
 (Select Board)**

To see if the Town will authorize a maximum additional exemption of up to 100 percent for taxpayers qualifying for exemption under Chapter 59, Section 5, Clauses 17D, 22, 37A, or 41C of the Massachusetts General Laws.

RECOMMENDED. This local option authorizes assessors to reduce property taxes for certain qualifying taxpayers (limited income elderly or blind persons, veterans and surviving spouses). The reduction is in addition to the base amount allowed by the state. The option has been in effect in Amherst since FY 94, the first year for which Town Meeting adopted it. The option must be renewed annually. The cost to the Town in FY 06 to provide these tax exemptions is \$113,532 in foregone tax receipts, with reimbursement by the state of \$26,847. The vote to recommend this article was unanimous.

**ARTICLE 4. Authorization for Compensating Balance Accounts
 (Select Board)**

To see if the Town will accept the provisions of Chapter 44, section 53F of the Massachusetts General Laws, which authorize the Treasurer to enter into written agreements with banking institutions pursuant to which the Treasurer agrees to maintain funds on deposit in exchange for banking services.

RECOMMENDED. Acceptance of this provision of the Massachusetts General Laws authorizes the Town Treasurer to enter into certain banking agreements that require maintenance of a minimum account balance. These agreements typically offer either higher interest rates or some free services in exchange for maintaining a minimum balance. Town Meeting authorization is required annually because, in effect, funds may be expended for services without an appropriation. The Treasurer bids all banking services and bank service fees and determines which proposals are most advantageous for the Town. The Finance Committee believes it is appropriate to provide the Treasurer with the flexibility to use this type of account. The vote to recommend this article was unanimous.

**ARTICLE 5. Retirement Assessment
 (Select Board)**

To see if the Town will raise and appropriate \$2,835,526 for the Hampshire County Retirement System assessment.

ANNUAL TOWN MEETING WARRANT ARTICLES

RECOMMENDED. The Town, as a member of the Hampshire Retirement System, pays an annual assessment that covers benefits to current retirees and funding for future retirees. The assessment is based on the payrolls of municipal and library employees as well as non-teaching elementary school employees. The \$2,835,526 to be appropriated in this article is an increase of \$361,191, or 13.7 percent, from the FY 06 assessment. The unusually large increase is attributable to recent weak investment returns and to an increase in the number of Amherst retirees in response to the early retirement incentive program adopted by the Town in 2004. Periodic actuarial studies of the retirement plan are used in determining assessments. A study that will affect assessments in FY 08 is expected to indicate a slower rate of increase for that year. The Finance Committee voted unanimously to recommend this article.

Nearly all of the financially significant articles are grouped toward the end of the warrant of this Annual Town Meeting in order to delay spending decisions until more information on local aid in the state budget becomes available. This article was placed in the early part of the warrant because the Town must pay the assessment; therefore the article has no effect on the amount of funds available for other purposes. The Finance Committee voted unanimously to recommend the article.

ARTICLE 6. **Property Tax Deferral Interest Rate (Select Board)**

To see if the Town will reduce the rate of interest that accrues on property taxes deferred by eligible seniors under G.L. c. 59 §5, Clause 41A from 8% to 4%, with such reduced rate to apply to taxes assessed for any fiscal year beginning on or after July 1, 2006.

RECOMMENDED. The property tax deferral program allows older homeowners with limited income to defer property tax payments until the owner or his/her estate sells the home. This is a loan program intended to help make it financially possible for qualifying citizens to continue living in their homes. Participants in the program accumulate debt year by year. The maximum allowed debt equals one-half of the assessed value of the property. Currently, the interest rate on the loans is 8 percent annually during the lifetime of the participant. State law sets this rate. Once the property enters the estate, the rate increases dramatically, to 16 percent. A recent change in state law allows municipalities to change the interest rate charged to participants to any amount from zero to 8 percent, with the new rate applying to future years only. (The interest does not compound.) There are currently only a very few participants in the program. Their total cumulative debt is \$96,000. This amount, plus interest, will be repaid to the Town at the appropriate times. Reducing the interest rate might encourage others to take advantage of the program. The 4 percent rate was recommended by a staff working group. The Finance Committee vote to recommend approval was unanimous.

ARTICLE 7. **Bylaw Amendment – Consent Calendar (Town Meeting Coordinating Committee)**

To see if the Town will amend the Town By-Laws, Article I The Town Government, Rules of Order For Town Meeting (item 1), by adding the language in ***bold italics*** as follows:

1. CONSENT CALENDAR. At least five business days prior to the opening of the first session of the Annual Town Meeting or any Special Town Meeting, the moderator shall propose to all members a "Consent Calendar" listing all articles and budget areas which, based on the records of recent town meetings, the moderator deems to be non-controversial. At the first session of the meeting, at the request of any ***five members present***, any article or budget area shall be removed from the Consent Calendar so that it can be debated and voted upon in accordance with the provisions of these Rules of Order. All items remaining in the Consent Calendar shall then be voted upon by a single vote without debate.

NO RECOMMENDATION.

ARTICLE 8. **Bylaw Amendment - Removal of Snow and Ice From Sidewalks Penalty (Select Board)**

To see if the Town will amend the Town Bylaws to reduce the fine in the Removal of Snow and Ice from Sidewalks bylaw and in the list of Non-Criminal Disposition of Violations to \$10 in compliance with Chapter 85, Section 5 of the Massachusetts General Laws which authorizes "penalties, not exceeding fifty dollars in the case of a city or ten dollars in the case of a town, for each violation."

ANNUAL TOWN MEETING WARRANT ARTICLES

RECOMMENDED. This Bylaw amendment would reduce the penalty for failure to timely remove snow and ice from sidewalks from \$100 per violation to the \$10 required by state law. While the Committee does not favor the lesser penalty, it does recognize the need to conform to state law. The vote to recommend the article was unanimous.

**ARTICLE 9. Petition – Bylaw Amendment - Open Containers of Alcohol Violation
(Mendez)**

“To see if the town will amend Article 2, Section 7 of the Amherst Town Bylaws by deleting the second paragraph and replacing it with the following language:

A violation of this section constitutes a civil infraction and any person who violates this section shall be subject to a civil penalty of not more than \$50.00 for each violation.”

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

**ARTICLE 10. Memorandum of Understanding for Emergency Management
(Select Board)**

To see if the Town will, in accordance with G.L. c. 40, section 4A, authorize an intermunicipal agreement with one or more other governmental units to provide public health services, in accordance with an InterMunicipal Mutual Aid Agreement to be entered into between the Town and such other governmental units.

RECOMMEND DISMISSAL. The Health Director is currently working with the Pioneer Valley Planning Authority and others to develop an intermunicipal agreement. An agreement of this kind would have financial and staffing impacts. Town Meeting, the authorizing body, needs more specific information on which to base its decision. This topic might be ready for consideration at the next Fall Special Town Meeting. The vote to recommend dismissal was unanimous.

**ARTICLE 11. Tax Incentive Financing for the Cushman Market
(Select Board)**

To see if the Town will designate as an Economic Opportunity Area (EOA) the area known as Cushman Market, 491 Pine Street, shown as Lot 39 of Assessors' Map 6A, and described in the Cushman Market Economic Opportunity Area Application, dated December 2005, and authorize the Select Board to offer, subject to Town Meeting approval, the granting of Tax Increment Financing (TIF) or Special Tax Assessment (STA) agreements for qualified economic development projects undertaken within said EOA.

To see if the Town will approve the Certified Project Application dated November 21, 2005 as amended, submitted by MULVA LLC and Eddie Haskell LLC for acquisition/expansion/renovation of a facility within the Cushman Market Economic Opportunity Area, shown as Lot 39 of Assessors' Map 6A, and the form of a Tax Incremental Financing (TIF) agreement or a Special Tax Assessment (STA) between the Town and MULVA LLC and Eddie Haskell LLC.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

**ARTICLE 12. Petition – Special Municipal Employee Status
(Rhodes)**

“To see if the Town will strongly urge the Select Board to reinstate, no later than thirty (30) days after the dissolution of the 2006 Annual Spring Town Meeting, the status of Special Municipal Employee for elected and appointed boards and committees as permitted by chapter 268A of the Massachusetts General Laws.”

NO RECOMMENDATION. The Finance Committee vote was 6-0, with Mr. Rhodes (the petitioner) abstaining.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 13. Petition – Resolution - Improve Our Town Committees, Boards & Commissions
(Root)**

“To see if the Town will vote to adopt the following resolution:

RESOLUTION TO IMPROVE OUR TOWN COMMITTEES, BOARDS & COMMISSIONS

The Town recommends to our Select Board the following:

1. That our Select Board alter its previous vote and, for a period not to exceed six (6) months, continue to designate all members of our town committees, boards and commissions as “Special Municipal Employees” so that our town can continue to avail itself of free community expertise worth many thousands of dollars annually;
2. That our Select Board appoint a Task Force of four (4) months duration to hold public hearings to receive public input and make comprehensive recommendations on ways and means to improve our town’s system of committees, boards and commissions.”

NO RECOMMENDATION. The vote to make no recommendation was 6-0, 1 abstained. The Finance Committee was concerned about adding to the workload of staff in this time of reduced resources. The Finance Committee has doubts that comprehensive recommendations could be developed in only four months. We think the general purpose of improving the committee system is desirable; the timing – when staff is short and a new Town Manager is just taking on his responsibilities – is problematic.

**ARTICLE 14. Petition – Universal Health Care
(League of Women Voters)**

“To see if the Town will reaffirm the previous vote of Amherst Town Meeting (April 26, 2000) “to urge the state Legislature to create a system of universal health care in Massachusetts that provides all Massachusetts residents with comprehensive health care coverage (including free choice of doctors and other health professionals, facilities and services and also including prescription drugs) and eliminates the role of insurance companies in health care by creating a publicly administered insurance trust fund, similar to the Federal Social Security trust fund; and commend Senator Stanley Rosenberg and Representative Ellen Story for their support of single payer legislation and urge them to use their full influence to move such legislation forward.”

NO RECOMMENDATION. Although there may be financial implications either positive or negative, without a fully developed proposal to analyze, there is no way to quantify any potential financial impacts. The vote to make no recommendation was unanimous.

**ARTICLE 15. Petition – Resolution - Genetically Engineered Food Labeling Legislation
(Grosscup)**

“To see if the town will vote to make the following request for legislation:

Whereas, there exists, both within the United States and internationally, substantial scientific dispute about the safety of food products derived from genetically engineered (GE) organisms; and,

Whereas, in situations where scientific experts are divided about the safety of a particular food product, consumers ought to easily be able to choose whether or not to purchase and consume food products derived from GE organisms;

Now, therefore, be it resolved that the Amherst Representative Town Meeting:

- 1) requests that our United States Senators, Edward M. Kennedy and John Kerry, our Congressional Representative, John W. Olver, our Governor, Mitt Romney, our State Senator, Stanley Rosenberg, and our State Representative, Ellen Story, Sponsor and support legislation that would enact mandatory labeling by manufacturers and processors of all GE food and seed; and,
- 2) additionally requests that upon its becoming effective, the Amherst Town Clerk shall transmit a copy of this resolution with the vote of the Town Meeting thereon to the elected officials named above.”

NO RECOMMENDATION.

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**ARTICLE 16. Petition – Resolution - Legislative Moratorium on Genetically Engineered Foods and Crops
(Grosscup)**

“To see if the town will vote to make the following request for legislation:

Whereas genetically engineered (GE) foods and crops have been shown to cause long-term damage to the environment, threaten rural economies, and may impair human health;

Whereas GE crops have been found to contaminate other farmers' crops through cross-pollination, and are stringently regulated in more than 30 countries; and

Whereas Congress and federal regulatory agencies have failed to adequately address this problem;

Now, therefore, be it resolved that the Amherst Representative Town Meeting:

1) requests that our United States Senators, Edward M. Kennedy and John Kerry, our Congressional Representative, John W. Olver, our Governor, Mitt Romney, our State Senator, Stanley Rosenberg, and our State Representative, Ellen Story, Sponsor and support legislation that would enact a moratorium on the further growing of GE crops until there is credible and independent scientific evidence that these products are not harmful to our health, the environment, and the survival of family farms; and

2) additionally requests that upon its becoming effective, the Amherst Town Clerk shall transmit a copy of this resolution with the vote of the Town Meeting thereon to the elected officials named above.”

NO RECOMMENDATION.

**ARTICLE 17. Petition - Resolution - Farmer Liability Protection Legislation
(Grosscup)**

“To see if the town will vote to make the following request for legislation:

Whereas, certain genetically engineered (GE) crops have been shown to cross-pollinate with non-GE crops on adjacent farmland; and

Whereas, such cross-pollination has been deemed by the corporate distributors of GE crops to be infringement on their patented genetic materials by owners of said adjacent farmland; and

Whereas, such corporate distributors have used their considerable financial resources to attempt to claim both patent infringement against the owners of adjacent farmland and ownership of any farm product resulting from the unsolicited migration to adjacent farmland of the genetic materials from farm products grown from their GE seeds:

Now, therefore, be it resolved that the Amherst Representative Town Meeting:

1) requests that our United States Senators, Edward M. Kennedy and John Kerry, our Congressional Representative, John W. Olver, our Governor, Mitt Romney, our State Senator, Stanley Rosenberg, and our State Representative, Ellen Story, Sponsor and support legislation defining any unwanted or unsolicited migration to adjacent farmland of the genetic materials from GE farm products as a trespass and tort by the corporate distributors of GE products and making said corporate distributors strictly liable for providing means of recovery for the owners of said adjacent farmland; and

2) additionally requests that upon its becoming effective, the Amherst Town Clerk shall transmit a copy of this resolution with the vote of the Town Meeting thereon to the elected officials named above.”

NO RECOMMENDATION.

ANNUAL TOWN MEETING WARRANT ARTICLES

ARTICLE 18. Zoning Bylaw - Section 6.0 Amendment (Planning Board)

To see if the Town will amend the following provision of Section 6.0, Overview, by deleting the ~~lined-out~~ language and adding the language in ***bold italics***, as follows:

SECTION 6.0 OVERVIEW

A lot may not be so reduced as to fail to satisfy any minimum dimension, area or yard required for a permitted principal use except as specified in Sections 4.3 and 4.4. Minimum lot area, frontage, setback and yard requirements, and maximum coverage and height limitations shall be prescribed in the following Table 3, "Dimensional Regulations."

Explanation of the column headings can be found in Section 6.1, Interpretation.

~~Section 6.2, Modification of~~ ***Dimensional Regulations shall be modified only as provided for under this Bylaw, discusses the procedure which may be used to modify several of the requirements in including as indicated under Table 3 and its footnotes.***

For non-conforming lots, see Section 9.1

For dimensional regulations in the Educational (ED) District, see Section 3.213

NO RECOMMENDATION.

ARTICLE 19. Zoning Bylaw - Drive-Through Facilities (Planning Board)

To see if the Town will amend Section 5.04, Retail Business and Consumer Service Uses, of the Zoning Bylaw by adding a new Section 5.043, as follows:

5.043 Drive-Through Facilities

Any attached or free-standing structure designed or operated to provide goods or services for patrons who drive to the structure and remain in their vehicles while receiving said goods or services shall be considered a drive-through facility, and accessory to Principal Uses under this Bylaw. Exceptions shall be drive-in restaurants (Section 3.352.2), automotive filling stations (Section 3.381) and car washes (Section 3.383), where associated drive-through facilities shall be considered part of the Principal Uses and regulated accordingly. No drive-through facility shall be permitted in any zoning district except as hereinafter provided, or in the case of an existing drive-through facility accessory to an existing legal non-conforming use under the provisions of Section 9.2.

5.0430 No drive-through facility shall be permitted in the B-G, B-VC, OP, PRP or LI Districts. Drive-through facilities may be permitted in the B-L districts abutting the B-G District under a Special Permit issued by the Special Permit Granting Authority authorized to act under the applicable section of the Bylaw for the Principal Use.

5.0431 In the COM District and in those outlying B-L districts not abutting the B-G District, drive-through facilities may be permitted as accessory to any permitted retail or consumer service use, or motor vehicle related use under the applicable Site Plan Review approval or a Special Permit required for the associated Principal Use, either proposed or existing.

5.432 A drive-through facility serving as the entrance/exit structure for the control of access, payment of access fees, and the like may be permitted as accessory to any extensive use, institutional use, governmental/public service use or public parking use in any zoning district under a Site Plan Review or Special Permit, whichever is required for the Principal Use. Where the associated Principal Use is permitted by right in the applicable zoning district, an accessory drive-through facility shall require Site Plan Review approval.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 20. Zoning Bylaw - B-G & B-VC Dimensions
 (Planning Board)**

To see if the Town will amend Table 3, Dimensional Regulations and Footnote b. as follows:

- A.** Amend the Additional Lot Area/Family requirements for the General Business (B-G) and Village Center Business (B-VC) districts, as follows:
- | | |
|------|---|
| B-G | Decrease from 2,500 sq. ft. to 1,250 sq. ft., and add footnotes a. and b. |
| B-VC | Decrease from 4,000 sq. ft. to 2,500 sq. ft., and add footnotes a. and b. |
- B.** Add the sentences in ***bold italics*** to Footnote b.:
- b. Applies to Residence Uses only (Section 3.32). ***In the B-G and B-VC districts, the Basic Minimum Lot Area shall apply only to the first dwelling unit on the ground floor. For a Section 3.325 use, or any other use in these districts where all residential dwelling units are located on upper floors, no Basic Minimum Lot Area shall be required and the Additional Lot Area/Family requirement shall apply to all dwelling units.***
- C.** Amend the Maximum Height requirement in the B-VC District from 35 to 40 feet.

NO RECOMMENDATION.

**ARTICLE 21. Zoning Map – College/South East Street
 (Planning Board)**

To see if the Town will amend the Official Zoning Map to change the zoning designation for the following properties, all on Assessor's Map 15C:

Parcel 2 – Rezone that portion of the property currently zoned R-N to COM.

Parcel 7 – Rezone those portions of the property currently zoned R-N to COM.

Parcels 3, 4, 8, 9 and 41 – Rezone from R-N to B-VC.

Parcel 42 – Rezone from R-N and COM (portion) to B-VC.

Parcels 16 and 17 – Rezone the portions of these properties currently zoned COM to R-N.

RECOMMENDED. The Finance Committee unanimously recommends this article because it would rationalize the boundaries of the existing Commercial zone and provide added opportunity for business development in the proposed extension of the Village Center-Business zone. This is a small step toward shifting property taxes from residences to businesses. The location is appropriate, and no affected property owners have objected to the change.

**ARTICLE 22. Petition - Zoning Map – South East Street PURD
 (Gray)**

“To see if the Town of Amherst will vote to amend the Official Zoning Map by rezoning map 17D, parcels 24 and 21, from Outlying Residential (R-O Zone) and Planned Unit Residential Development (PURD) to Low Density Residential (R-LD Zone).”

NO RECOMMENDATION.

ANNUAL TOWN MEETING WARRANT ARTICLES

ARTICLE 23. Zoning Bylaw – Professional/Technical Offices (Planning Board)

To see if the Town will amend Section 3.359 of the Use Chart (Section 3.3) of the Zoning Bylaw, by deleting the ~~lined-out~~ language and adding the language in ***bold italics***, as follows:

3.359 ***Technical or professional office such as architect, engineer, lawyer, financial services, or similar office providing services predominantly by appointment to clients in person on the premises, or, administrative business office or similar*** Business or professional office not providing services to the ***general*** public in person on the premises.

R-0												
R-LD	R-N	R-VC	R-G	R-F	B-G	B-L	B-VC	COM	OP	LI	PRP	FPC
N	N	SP	N	N	SPR	SPR	SPR	SPR	SPR	SPR	SPR (SP)	N

Standards & Conditions

For the purposes of this section, the general public shall be defined as including all persons acting as customers or clients not receiving services by appointment. Exceptions shall be affiliated professionals or consultants conducting business with the office use, salespersons and service contractors (delivery, maintenance, etc.).

In the R-VC District, the Zoning Board of Appeals may grant a Special Permit for an ***technical or professional*** office ~~for professional or office uses not dealing directly with~~ ***that provides services predominantly by appointment to clients in person on the premises, or, for an administrative business office or similar office that does not provide services to the general public in person on the premises.*** The Zoning Board of Appeals may grant a Special Permit providing it finds that, in addition to meeting the provisions of Article 7 and Section 10.38, the proposed office use meets the following conditions:

1. Is located on the ground floor only, and occupies no more than 50 percent of the gross floor area of the structure, exclusive of storage space.
2. Shall be allowed only as a second Principal use, where the first Principal use is a residential use consisting of one dwelling unit.
3. Shares a property line with or is adjacent to another property with a similar use permitted under this section or a property in the B-L, B-VC or COM districts.
4. Employs no more than 5 persons who work on-site.
5. Where located in an existing building, the residential character of the structure and site shall be maintained.

RECOMMENDED. This article would modestly expand opportunities for professional and technical offices in the Professional Research Park zone and other zoning districts. The purpose is to allow a somewhat greater range of use of these offices. Current regulations are so restrictive that development is severely inhibited. The Finance Committee unanimously recommends this small step toward shifting property taxes from residences to businesses.

APPENDIX

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GLOSSARY

These definitions explain the meaning of some terms frequently used at Amherst Town Meeting as the terms apply to Amherst government.

Appropriation - The authorization by Town Meeting of an expenditure for a specified purpose using money from one or more specified sources (taxation, borrowing, grants, etc.). In most cases, a simple majority vote is required; authorization to borrow and appropriations from the Stabilization Fund require a two-thirds vote.

If the expenditure turns out to be less than the appropriation, the remainder is called an appropriation balance. An appropriation balance from a specific project or use can be made available for similar or related purposes by subsequent votes of appropriation transfers. Appropriation balances in the General Fund which stem from the Town's operating budget revert to Free Cash at the end of the fiscal year.

Capital expenditure exclusion - See "Exclusions".

Capital plan - A list of proposed expenditures and funding sources for needs such as land acquisition, construction, major equipment and maintenance, and other special projects that add to the value of the Town's assets.

Cherry Sheet – The official notification from the State of the amounts and types of aid the State will provide to each municipality in a fiscal year, and the amounts each municipality must pay the State and regional entities for a variety of services provided. The document is called a "cherry sheet" because it comes on pink paper.

Contingent appropriation - An appropriation voted by Town Meeting that becomes effective only if the amount is approved in a Proposition 2 1/2 override election.

Debt exclusion - See "Exclusions".

Enterprise fund - A fund established to provide specific services. The state allows enterprise funds only for water, sewer, solid waste, hospital, recreation services, and transportation. Amherst has five: water, sewer, solid waste, golf course, and transportation. Both the costs and the revenues of the enterprise are segregated from other finances of the Town. The costs of the operation are intended to be financed totally or primarily from user charges. Surplus funds, called unreserved retained earnings, may accumulate in the fund for future use by the enterprise. Surpluses result primarily from revenues in excess of estimates and from unexpended appropriations.

Excess taxing capacity - The difference between actual real and personal property taxes levied in any given year and the amount authorized to be assessed under Proposition 2 1/2.

Exclusions - Exclusions allow, by referendum, an increase in the amount of property taxes which a community may levy, for a limited period of time, and only for capital purposes. The revenue is in addition to the levy limit, but it neither increases the levy limit nor becomes part of the base for calculating levy limits of future years. "Capital purposes," in this context, are those for which the Town is authorized to borrow under Massachusetts General Laws, Chapter. 44, sections 7 and 8. Generally, this includes public building and public works projects and land and equipment acquisitions.

The money to pay for these projects is authorized by Town Meeting, but only the Select Board, by a two-thirds majority, can place exclusion questions on the ballot to raise money by increasing the levy.

Capital expenditure exclusion - A one-year increase in the levy limit approved by the voters in a referendum for the purpose of funding a capital project. The referendum question defines the project, states the maximum amount of the exclusion, and specifies the fiscal year in which the payment will occur.

Debt exclusion - A temporary increase in the levy limit approved by the voters in a referendum for the purpose of funding a capital project by means of debt. Both principal and interest are excluded from the levy limit until the debt is retired. The referendum question defines the project, but it does not state the amount of money to be excluded or the years of debt payments. (Estimated amounts are publicized prior to the referendum.)

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Free Cash - The unreserved, undesignated fund balance of the General Fund that accumulates from revenues collected in excess of estimates and from unexpended appropriation balances. These are the only sources of Free Cash; money cannot be appropriated to Free Cash. The amount is calculated and certified by the state's Department of Revenue each year as of July 1, the first day of the fiscal year. Free Cash may be spent by Town Meeting appropriation only, by majority vote.

General Fund - The general operating fund of the Town. It includes revenues from taxation, general state aid, school aid, and all other financial resources that are not held for specific purposes. Expenditures from this fund may be for any purpose for which a municipality may legally appropriate funds. Enterprise Fund money is not part of the General Fund.

Levy - *Verb*: To impose a tax. *Noun*: The total amount of real and personal property taxes assessed in any given year, referred to as "the levy".

Levy ceiling - The limit imposed by Proposition 2 1/2 which equals 2 1/2% of the total full and fair cash value of all property in the Town. The levy may not exceed this amount; taxpayers may not vote a higher amount in an override. The levy ceiling is equal to a tax rate of \$25 per \$1,000 of valuation.

Levy limit - The amount that a town may raise in taxes each year without approval by the voters in a referendum. The levy limit is the prior year's limit plus 2 1/2% of that amount plus an amount approved by the state that resulted from "new growth".

Referenda of two types may be used to increase the limit: override and exclusion.
These are defined elsewhere in this list.

New growth - The increased value in a given year of new development and other growth in the tax base that is not the result of revaluation. Included are physical additions or improvements to taxable property, exempt real property returned to the tax roll, new personal property, and new subdivision parcels and condominium conversions. New growth of one year becomes part of the base for calculating the next year's levy limit.

Overlay / reserve for abatements and exemptions - Tax abatements and exemptions are allowed for a variety of reasons specified in the Massachusetts General Laws. At the time the levy is assessed, the amount of qualifying abatements that will be granted is not determinable; therefore an amount of money must be set aside to provide for these abatements. If at the end of a fiscal year a balance remains in the reserve and the Assessors determine that no further claims are pending, the amount remaining may be reappropriated for other purposes or closed to Free Cash.

Override - A permanent increase in the levy limit approved by the voters in a referendum. The increase becomes part of the base for calculating levy limits of future years.

An override ballot question requests funding for expenses that are expected to continue into the future. The purpose stated in the question may be broad (for example, "general operating expenses") or narrow (for example, "two fire fighters"). The amount of money is also stated in the question, along with the fiscal year in which the increase is to become effective. Money from an override is earmarked for the purpose stated in the ballot question in the first year the override is in effect. Funding for this purpose can be expected to continue, even though, in subsequent years, the money is considered to be an undifferentiated part of the General Fund.

Overrides may be structured in any of three forms: a single ballot question stating a single purpose and related amount of money; a "pyramid" consisting of two or more separate ballot questions stating the same purpose but different amounts of money in each question; or a "menu" of separate questions, each stating a different purpose along with its related amount of money.

Override questions can be put on the ballot only by majority vote of the Select Board. The form of the override and the wording of the question or questions is also determined by the Select Board.

Reserve Fund - An account voted annually by Town Meeting to be used for extraordinary and unforeseen expenses that may occur during a fiscal year. The appropriation may not exceed 5% of the previous year's tax levy. Transfers from this fund are made by vote of a majority of the Finance Committee.

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Reserves - Money accumulated for future expenditure. Free Cash and the Stabilization Fund are general reserves that may be used for a wide variety of purposes. Some reserves are available only for restricted purposes, for example, the Ambulance Account, the Conservation Fund, the Parking Meter Receipt Account, and the Sale of Real Estate Account.

Revolving Fund - A special purpose account that accumulates revenues based on charges for services and from which expenditures are made without Town Meeting appropriation for uses for which the revenue was collected. The purposes for which the Massachusetts General Laws authorize such accounts to be established are recreation, adult education, and school lunch. These funds differ from enterprise funds in that they do not accumulate and capitalize assets, there are restrictions on the size of fund balances they may retain from year to year, and some restrictions are placed on the purposes for which funds may be expended.

Stabilization Fund - An account established to save funds for future needs. Town Meeting may appropriate funds to the account, subject to limits imposed by state law. Transfers from the account may be made at Annual or Special Town Meetings for any lawful purposes. A two-thirds vote of Town Meeting is required to transfer money out of the fund.

The state originally limited use of this fund to capital purposes only, a restriction that no longer exists. Amherst has continued to appropriate from this fund according to the former restriction.